

## Corporate Profile

SDMS DOCID # 1149931

Ashland Inc. is a diversified, global chemical company operating through four divisions: Ashland Performance Materials, Ashland Distribution, Valvoline and Ashland Water Technologies.

**Ashland Performance Materials** is a worldwide manufacturer and supplier of specialty chemicals and customized services to the building and construction, packaging and converting, transportation, marine and metal casting industries. It is a technology leader in metal casting consumables and design services; unsaturated polyester and vinyl ester resins and gelcoats; and high-performance adhesives and specialty resins.

**Ashland Distribution** is a leading distributor of chemicals, plastics, composite raw materials and environmental services in North America and plastics in Europe. Suppliers include many of the world's leading chemical manufacturers. Ashland Distribution specializes in providing mixed truckloads and less-than-truckload quantities to customers in a wide range of industries.

**Valvoline** is a marketer of premium-branded automotive and commercial lubricants and automotive chemicals, appearance products and services, with sales in more than 100 countries. Valvoline markets the following key brands of products and services to the private passenger car, light truck and commercial markets: Valvoline® lubricants; Valvoline Professional Series® automotive chemicals; EagleOne® automotive appearance products; AroMetrics™ automotive air freshening products; Zerex® antifreeze; Pyroil® automotive chemicals; MaxLife® automotive products; Car Brite® automotive reconditioning products; Premium Blue® commercial lubricants and Valvoline Instant Oil Change® automotive services.

**Ashland Water Technologies** is a supplier of chemical and non-chemical water treatment solutions for industrial, municipal and commercial facilities. It provides industrial, commercial and institutional water treatments, wastewater treatment, pathogen control, paint and coating additives, pulp and paper processing and mining chemistries. In addition, it also provides boiler and cooling water treatments, fuel treatments, welding, refrigeration and sealing products; and fire fighting, safety and rescue products and services for the merchant marine industry.

Ashland's former **Refining and Marketing** operations consisted primarily of its 38-percent interest in Marathon Ashland Petroleum LLC (MAP). On June 30, 2005, Ashland transferred its interest in MAP and two other businesses to Marathon Oil Corporation.

Ashland's former **Ashland Paving and Construction, Inc.** (APAC) operations were sold on August 28, 2006, to Oldcastle Materials, Inc.

		Key Contacts	
Stock Price at June 30, 2006	\$66.70	James J. O'Brien, Chairman & CEO	(859) 815-3519
Common Shares Outstanding (millions)	71.1	J. Marvin Quin, Senior VP & CFO	(859) 815-5637
Market Capitalization (millions)	\$4,742	Daragh L. Porter, VP Finance & Treasurer e-mail: dlporter@ashland.com	(859) 815-3825
Institutional Ownership (approximately)	80%	L. Dean Doza, Director, Investor Relations e-mail: lddoza@ashland.com	(859) 815-3527
Executive Officers and Directors and Benefit Plan Ownership (approximately)	10%		
Dividend Yield	1.6%	Investor Relations:	(859) 815-4454
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## Financial Information

	2001	2002	2003	2004	2005	YTD-2006	Q3-2006
<b>Sales &amp; Operating Revenues</b> (\$, millions)							
APAC	2,624	2,652	2,400	2,525	2,539	2,053	838
Performance Materials	782	814	875	1,026	1,369	1,068	370
Distribution	2,858	2,541	2,811	3,199	3,810	3,046	1,050
Valvoline	1,064	1,152	1,235	1,297	1,326	1,030	366
Water Technologies	309	316	337	360	394	310	113
Intersegment Sales	(93)	(85)	(92)	(106)	(168)	(129)	(46)
	<u>7,544</u>	<u>7,390</u>	<u>7,566</u>	<u>8,301</u>	<u>9,270</u>	<u>7,378</u>	<u>2,691</u>
<b>Operating Income</b> (\$, millions)							
APAC	42	111	(57)	94	30	95	68
Performance Materials	5	34	(1)	42	88	94	41
Distribution	17	(15)	12	56	99	95	30
Valvoline	58	56	61	77	59	(6)	(10)
Water Technologies	7	12	3	14	11	9	9
Refining & Marketing	707	143	263	383	486	-	-
Unallocated & Other	(5)	(20)	(15)	(4)	(27)	(16)	(11)
	<u>831</u>	<u>321</u>	<u>266</u>	<u>662</u>	<u>746</u>	<u>271</u>	<u>127</u>

**NOTE:** For detailed financial information, see 5-year Operating and Net Income Summary posted to Ashland's Investor Relations website at [www.ashland.com/investors/](http://www.ashland.com/investors/). Financial Information, Quarterly Financials, and Operating Information are as reported for the fiscal third quarter ended June 30, 2006, and do not reflect the sale of APAC on August 28, 2006. Subsequent information will be restated to reflect APAC in results from discontinued operations.

## Quarterly Financials

	2001	2002	2003	2004	2005	2006
<b>Operating Income</b> (\$, millions)						
1st Quarter December	136	96	32	92	180	95
2nd Quarter March	79	(3)	(24)	10	86	49
3rd Quarter June	366	132	138	292	410	127
4th Quarter September	251	96	119	268	70	
	831	321	266	662	746	271
<b>Diluted Earnings Per Share from Continuing Operations</b> (\$)						
1st Quarter December	0.77	0.52	(0.02)	0.56	1.28	0.91
2nd Quarter March	0.30	(0.33)	(0.54)	(0.16)	0.44	0.67
3rd Quarter June	2.76	0.87	1.03	2.35	23.65*	1.29
4th Quarter September	1.71	0.59	0.89	2.81	1.49	
	5.54	1.64	1.37	5.59	26.86	2.87

\*Includes a net gain of \$20.56 from the MAP Transaction and the repayment of most of Ashland's debt with a portion of the transaction proceeds.

## Operating Information

	2001	2002	2003	2004	2005	YTD-2006	Q3-2006
<b>APAC</b>							
Construction backlog (\$, millions)	1,629	1,691	1,745	1,746	2,038	1,951	
Net construction job revenues (\$, millions)	1,547	1,527	1,361	1,433	1,458	1,189	509
Hot-mix asphalt production (million tons)	36.7	36.7	32.5	33.4	31.3	20.7	8.7
Aggregate production (million tons)	28.7	31.0	28.7	29.6	31.4	23.7	8.7
<b>Performance Materials</b>							
Sales dollars per shipping day (\$, millions)	3.1	3.2	3.5	4.0	5.4	5.7	5.9
Pounds sold per shipping day (millions)	4.4	4.7	4.7	5.1	5.4	5.0	5.1
Gross profit as a % of sales	21.8	25.8	22.1	20.4	20.4	23.2	25.0
<b>Distribution</b>							
Sales dollars per shipping day (\$, millions)	11.2	10.1	11.2	12.6	15.1	16.2	16.7
Pounds sold per shipping day (millions)	19.0	17.3	18.2	19.4	19.2	19.0	19.6
Gross profit as a % of sales	8.9	9.7	9.9	9.6	9.7	9.7	9.3
<b>Valvoline</b>							
Lubricant sales (million gallons)	187.4	199.0	193.5	191.6	175.4	127.8	45.1
Premium lubricants (% of U.S. branded volumes)	11.7	16.1	18.5	21.5	23.4	23.2	22.4
Gross profit as a % of sales	26.5	27.3	27.8	28.2	26.6	21.4	20.2
<b>Water Technologies</b>							
Sales dollars per shipping day (\$, millions)	1.2	1.3	1.3	1.4	1.6	1.6	1.8
Gross profit as a % of sales	49.5	51.2	50.4	49.3	47.8	47.0	45.5

## Total Return to Shareholders for Periods Ended 6/30/06

3 Months

12 Months

